

# H. R. 354.

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IN SENATE OF THE UNITED STATES,

FEBRUARY 14, 1827.

Read twice, and referred to the Committee on Finance.

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## AN ACT

*Authorizing the Secretary of the Treasury to exchange a stock of five per cent. to the amount of sixteen millions of dollars, for certain stocks of six per cent., and to borrow a sum equal to any deficiency in the said amount authorized to be exchanged.*

1       *Be it enacted by the Senate and House of Representatives*  
2   *of the United States of America in Congress assembled, That*  
3   *a subscription to the amount of sixteen millions of dollars of*  
4   *the six per cent. stocks of the years eighteen hundred and*  
5   *thirteen and fourteen, be, and the same is hereby, proposed;*  
6   *for which purpose books shall be opened at the Treasury of*  
7   *the United States, and at the several loan offices, at the ex-*  
8   *piration of twenty days from the passing of this act, to con-*  
9   *tinue open for thirty days, and no longer, for receiving sub-*  
10   *scriptions of such part or parts, of the abovementioned*  
11   *stocks, as shall, at the time of subscription, stand on the*  
12   *books of the Treasury, and on those of the several loan offices,*  
13   *respectively; which subscription shall be effected by a surren-*  
14   *der of the certificates of the stocks subscribed, to be transfer-*  
15   *red to the United States in the manner provided by law, for*

16 the transfers of stocks: *Provided*, That, should the whole  
17 amount subscribed exceed sixteen millions of dollars, it shall  
18 be the duty of the Secretary of the Treasury to cause to be  
19 returned the certificates of so much of the stock last sub-  
20 scribed, as shall reduce the amount to the said sum of sixteen  
21 millions of dollars: *And provided, also*, That the holders of  
22 the stock so subscribed and transferred, shall be entitled to  
23 receive interest thereon, for the quarter ending the thirty-first  
24 day of March, eighteen hundred and twenty-seven, in the same  
25 manner as if such stock had not been transferred.

1     SEC. 2. *And be it further enacted*, That, on the transfer  
2 to the United States of the stocks thus subscribed, credits  
3 shall be entered for the whole, or any part of any sum thereof,  
4 to the proprietors, respectively, who shall be entitled to a cer-  
5 tificate of stock for one half of such sum, bearing an interest  
6 of five per cent. per annum, payable quarter-yearly, from the  
7 first day of April, eighteen hundred and twenty-seven, trans-  
8 ferable in the same manner as is provided by law for  
9 the transfer of stock, subject to redemption at the plea-  
10 sure of the United States, at any time after the thirty-  
11 first day of December, eighteen hundred and twenty-eight,  
12 and, to a like certificate for the remainder, subject to a re-  
13 demption, at the pleasure of the United States, at any time af-  
14 ter the thirty-first day of December, eighteen hundred and  
15 twenty-nine: *Provided*, That no reimbursement shall be

16 made, except for the whole amount of such new certificate,  
17 nor until after, at least, three months' previous notice.

1     **SEC. 3.** *And be it further enacted,* That, if the whole of the  
2 aforesaid sum of sixteen millions of dollars shall not be sub-  
3 scribed within the time, and in the manner hereinbefore pro-  
4 vided, the President of the United States be, and he is here-  
5 by, authorized to borrow, on the credit of the United States.  
6 (and at a rate not less than par,) such sum, or sums, as shall  
7 amount, together with the sums subscribed, to the said sum  
8 of sixteen millions of dollars, at a rate of interest, payable  
9 quarterly, not exceeding five per centum per annum, one-half  
10 whereof reimbursable at the pleasure of the Government, at  
11 any time after the thirty-first day of December, in the year  
12 eighteen hundred and twenty-eight, and one-half at any time  
13 after the thirty-first day of December, eighteen hundred and  
14 twenty-nine; to be applied, in addition to the moneys which  
15 may be in the Treasury at the time of borrowing the same,  
16 to pay off, and discharge, such part of the six per cent. stock  
17 of the United States, of the years one thousand eighteen hun-  
18 dred and thirteen and fourteen, as may then be redeemable.

1     **SEC. 4.** *And be it further enacted,* That it shall be lawful  
2 for the Bank of the United States to lend the said sum, or any  
3 part thereof; and it is hereby further declared, that it shall  
4 be deemed a good execution of the said power to borrow, for  
5 the Secretary of the Treasury, with the approbation of the

6 President of the United States, to cause to be constituted cer-  
 7 tificates of stock, signed by the Register of the Treasury, or  
 8 by a Commissioner of Loans, for the whole, or any part  
 9 thereof, bearing an interest not exceeding five per centum per  
 10 annum, transferrable and reimbursable, as aforesaid; and to  
 11 cause the said certificates to be sold: *Provided*, That no stock  
 12 shall be sold under par.

1        SEC. 5. *And be it further enacted*, That the same funds  
 2 which have heretofore been, and now are, pledged, by law, for  
 3 the payment of the interest, and for the redemption and re-  
 4 imbursement of the stock which may be created or subscrib-  
 5 ed by virtue of the provisions of this act, shall remain pledged,  
 6 in like manner, for the payment of the interest accruing on  
 7 the stock created by reason of such subscription, and for the  
 8 redemption or reimbursement of the principal of the same.  
 9 And it shall be the duty of the Commissioners of the Sinking  
 10 Fund to cause to be applied, and paid out of the said fund,  
 11 yearly, and every year, such sum and sums as may be annually  
 12 required to discharge the interest accruing on the stock which  
 13 may be created by virtue of this act. And the said Commis-  
 14 sioners are, also, hereby authorized to apply, from time to  
 15 time, such sum and sums, out of the said fund, as they may  
 16 think proper, towards redeeming, by purchase, or by reim-  
 17 bursement, in conformity with the provisions of this act, the  
 18 principal of the said stock; and such part of the annual sum

19 of ten millions of dollars, vested by law in the said Commis-  
20 sioners, as may be necessary and required for the above pur-  
21 poses, shall be and continue appropriated to the payment of  
22 interest and redemption of the public debt, until the whole of  
23 the stock which may be created under the provisions of this  
24 act shall have been redeemed or reimbursed.

1       SEC. 6. *And be it further enacted,* That nothing in this  
2 act shall be construed in anywise to alter, abridge, or impair,  
3 the right of those creditors of the United States who shall not  
4 subscribe to the loan to be opened by virtue of this act.

*February 14, 1827.*

Passed the House of Representatives.

Attest :       M. ST. CLAIR CLARKE, C. H. R.